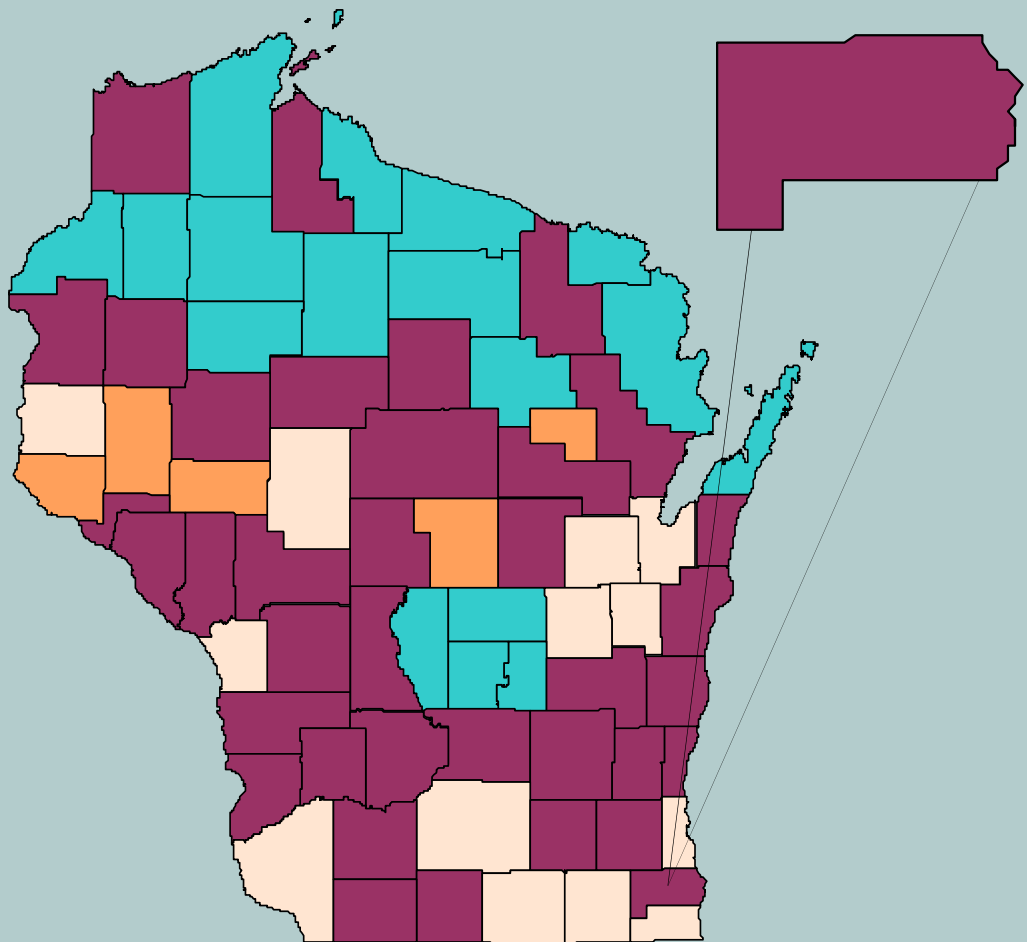


# Racine County Workforce Profile

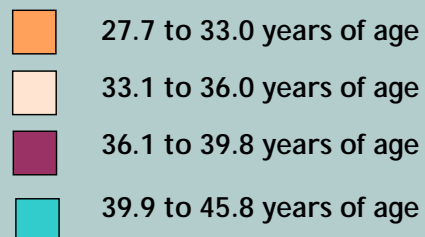
Median Age by County, 2000



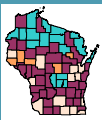
Your complete  
guide to the  
state of the  
labor force of  
today and a  
glimpse into  
the economy of  
tomorrow.



State of Wisconsin  
Department of Workforce Development  
October 2002



Source: Census 2000 of the United States



## County Population

Racine County's population has increased at approximately half the rate of the state and nation over the short term and has continued its pattern of below average population growth; a norm for Racine County in past decades.

Slower than average population growth is not unique to Racine County, in fact, the United States' projected population is expected to only grow at about half the rate it did between 1990 and 2000. Racine County's population increased by 7.9 percent from 1990-2000 and is on a pace to grow even more slowly, between four and five percent from 2000 to 2010; evidenced by slow rates of growth over the last two years. This would not be the slowest decade of population change as the 1970-1980 and 1980-1990 figures indicate growth of only 1.3 percent and 1.1 percent, respectively.

To make this even more remarkable, years between these decennial estimates showed that population actually decreased. The recession of the early 1980's, which actually started to impact Wisconsin in the late 1970's, prompted a large exodus of Racine County residents to other counties and even other states in search of a better local economy and

job opportunities as the beleaguered manufacturing industries all over the southeast region shed jobs.

It was not until the early 1990's that Racine County finally started to realize healthier population gains, which was also about the same time that the national economy was beginning its largest recorded expansion. Population growth has been fueled primarily by natural increase (births exceeding deaths) rather than by migration into the county. This bucks the statewide trend of more balanced growth that includes more in-migration, both foreign and domestic.

The City of Racine composes 43 percent of the county's population (year 2000), but like many central cities in the U.S., and particularly in the Midwest, is losing population to the suburban and rural locations inside Racine County and to other regional counties. The city has lost about three percent of its population as of the last census, and in 1990, represented 48 percent of the county's total population. Racine's towns and villages have shown extreme growth, especially the burghs and hamlets along major expressways and thoroughfares, namely I-94 and

*(Continued on page 2)*

### Total Population

	2000 Census	January 1, 2001 Estimate	Percent change
United States	281,421,906	283,474,000	0.7%
Wisconsin	5,363,675	5,400,449	0.7%
Racine County	188,831	189,490	0.3%

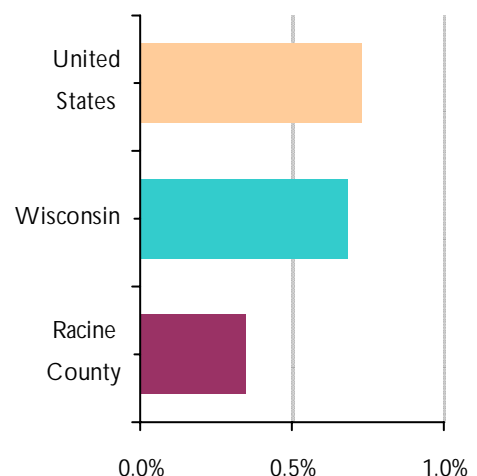
### Ten Largest Municipalities

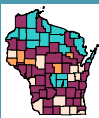
Racine, City	81,855	81,665	-0.2%
Caledonia, Town	23,614	23,848	1.0%
Mount Pleasant, Town	23,142	23,330	0.8%
Burlington, City *	9,936	9,958	0.2%
Norway, Town	7,600	7,643	0.6%
Burlington, Town	6,384	6,425	0.6%
Waterford, Town	5,938	6,051	1.9%
Sturtevant, Village	5,287	5,314	0.5%
Union Grove, Village	4,322	4,356	0.8%
Waterford, Village	4,048	4,084	0.9%

\* Racine portion only

Source: Wisconsin Department of Administration, Demographic Services, 2002

### Population Growth 2000-2001





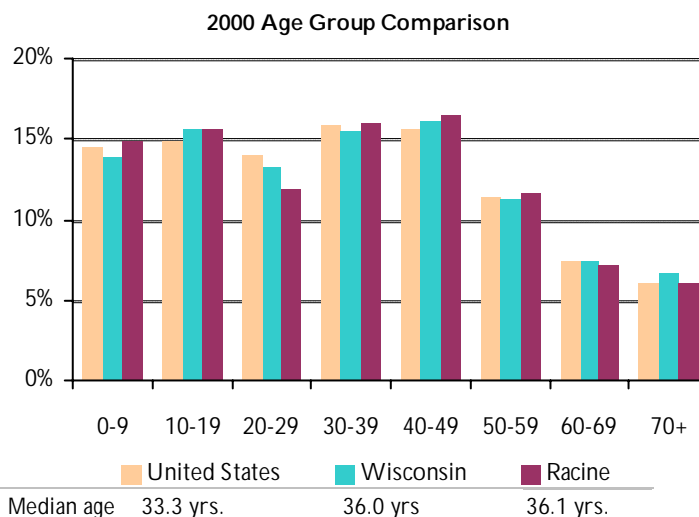
## State of Wisconsin - Racine County

Highways 36 and 20. In the past thirty years some of the smaller communities have more than doubled in size while the City of Racine has lost 14 percent of its population.

### Racine County Population Age

Racine County's age composition is like many other counties in the U.S. That is, the cohorts showing the highest population representation are those in their (upper) 30's to just over 50 years old, coupled with a shortage in number of those aged in their 20's. This disparity is attributed to the baby boom of post-WWII, lower birth rates in the 1970's and to out-migration of particular segments of younger folks, especially the county's younger female population. For example, females aged 20-34 outnumbered males of the same age in 1990. The opposite is true in 2000. In fact, if one were to follow those aged 10-19 in 1990 as they became 20-29 in 2000, one would notice that there were 14 percent fewer females and almost 13 percent fewer males, who did not remain as Racine County residents.

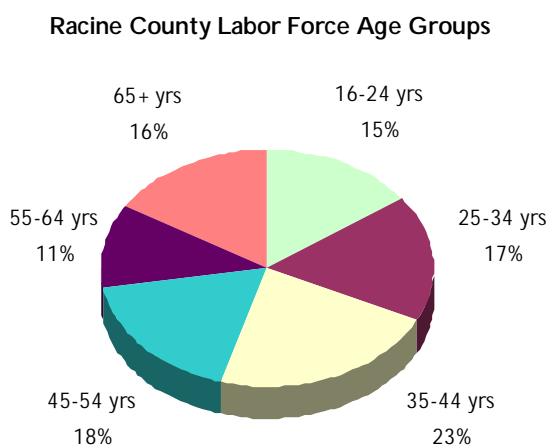
This is not the first forum to expound upon the demographic imperatives brought out of an aging



Source: US Department of Commerce, Census Bureau, *Census 2000*

and migrating workforce. Racine, as a metropolitan county, is at least more abundant in younger population than many counties in Wisconsin and other regional states. But it cannot be understated that these demographic disparities may prove to show a lack of available labor for retirement replacements and that an aging population will dictate the economy as a whole. These demographics will change how and where resources are allocated.

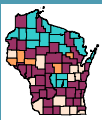
## County Civilian Labor Force



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

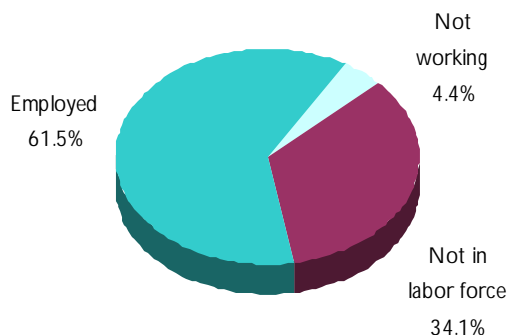
The chart to the left breaks down the population over the age of 16 to show the "working aged" components of the labor force. The age of a county is important for myriad reasons. A chief reason is to examine the active and potential labor force supply. Populations that show balance in these cohorts are more likely to progress sufficiently with replacements of those who leave the labor force due to retirement. Counties, cities and villages, etc. that do not show balance have potential "demographic imperatives" which must be addressed and remedied. Typically, these imperatives are translated as too few younger population to replace those who retire from the labor force and not enough workers in key occupations that will be demanded by an aging population. Racine County's labor force age break-

(Continued on page 3)



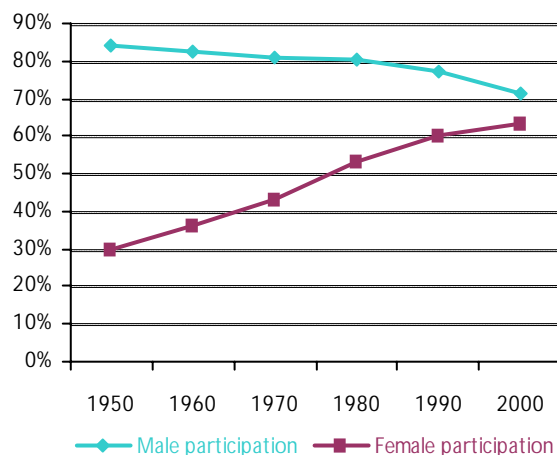
## State of Wisconsin - Racine County

### 2001 Labor Force Participation



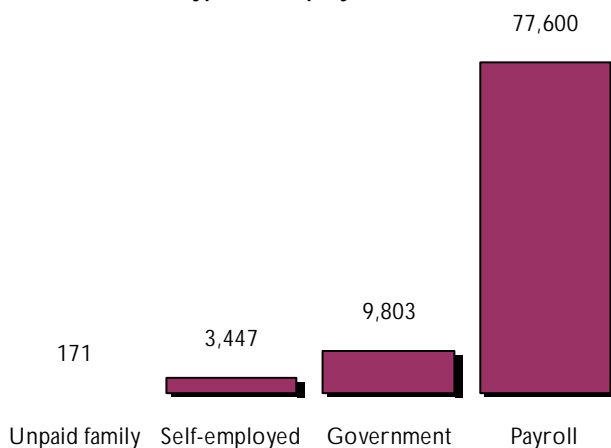
Source: Estimated from WI Dept. of Administration population estimates, Jan. 2001, US Census Bureau, and WI Local Area Unemployment Statistics.

### Labor Force Participation of Male and Female Residents



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

### Type of Employment



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

down is actually very similar to the state as a whole; maybe just a bit younger overall.

Racine County shows satisfactory balance with respect to the short-term outlook for the working-aged, but will face the same imperatives that the state as a whole will in the longer-term. Those aged 16-24 are not wholly abundant and those in the next cohort, 25-34 are not exactly in great numbers, anywhere, at least relative to the next two baby-boomer cohorts, those aged 35-44 and 45-54. Racine County, despite some of these cohort disparities, is not so overly weighted to those who near retirement as some counties are as of 2001 and may not be for the next decade or so.

The labor force is the sum of those employed and unemployed *whom have actively sought work in the last month*. Labor force-eligible residents must be 16 years or older, civilian and not a member of an institutional population such as a prison. Labor force is measured via a monthly survey that considers only if the person has worked (at least one hour) and not where they worked. This is an important distinction because many residents of a county work in other counties. What this implies is that industries and jobs of one county may have an impact on the labor force of another county. It is fair to say that the surrounding counties have an effect on Racine's labor force and vice versa. As of 2001, the labor force participation rate (LFPR) in Racine County is 65.9 percent (rounded), which is lower than the state rate of 73.5 percent. It is also lower than the national rate of 66.9 percent.

Racine County's LFPR ranks 49th of the 72 counties as it has been typical of this county to rank in the lower third in county LFPR. The LFPR has actually increased slightly over the last year, which is a bit of a surprise as the short and long-term projections have speculated continually declining LFPR in most of the counties of Wisconsin, the Midwest and much of the United States. Realistically, this was a rise over a single year only, and will probably not continue to rise as it did in the latter half of the 1990's. Despite its powerful economic punch, the 1990's economic expansion could not stave off the fact that many have left the labor force altogether either as a result of age or have become only mar-

(Continued on page 4)

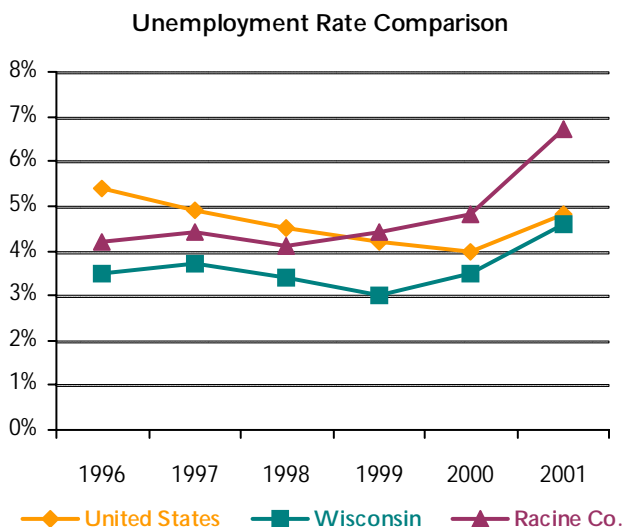


## State of Wisconsin - Racine County

ginally attached to the labor force and did not feel as they were part of this new economic well-being. The latter is more of a reality in the City of Racine as opposed to the balance of county because the labor force characteristics are starkly different between these two locales with the city experiencing lower LFPR, but a higher unemployment rate.

The graph on page 2 outlining LFPR by gender shows a dramatically increased rate by females while the male rate has remained higher, but has been relatively flat and falling. This is not surprising nor unique to Racine. The sharp increase over the last 30 years or so is a reflection of the need for two income homes; the advent of female, single-parent households and the choice by females to take advantage of increased opportunities to join the labor force.

But despite increased female participation, the labor force has shown a decrease of 1.6 percent over the last five years. The overall decrease was heavily weighted by a 3.6 percent dip in the number of employed from 1996-2001. This decrease was coupled with a 55 percent increase the number of unem-

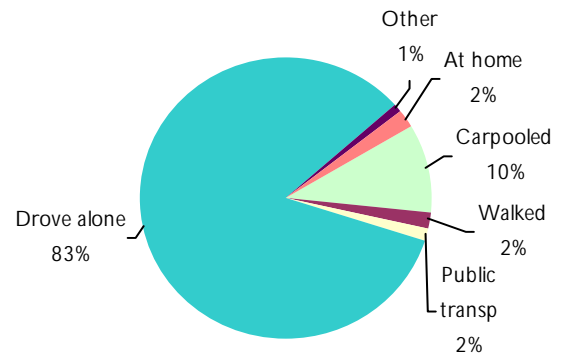


### Racine County Civilian Labor Force Data

	1996	1997	1998	1999	2000	2001
Labor Force	93,900	93,800	93,200	90,900	90,900	92,400
Employed	89,900	89,700	89,400	86,900	86,600	86,300
Unemployed	3,970	4,100	3,790	3,990	4,320	6,180
Unemployment Rate	4.2%	4.4%	4.1%	4.4%	4.8%	6.7%

Source: WI Department of Workforce Development, Local Area Unemployment Statistics, revised March 2002

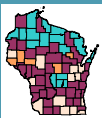
### County Travel-to-Work Patterns



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

ployed and because the number of unemployed represents such a relatively small part of the total labor force, the total labor force decreased. It should be noted that the bulk of the five-year increase in unemployed came over the 2000-2001 period and that the most recent recession brought about a change in the not seasonally adjusted unemployment rate from a 4.4 percent average from 1996-2000 to 6.7 percent in 2001.

Racine County has felt the most recent recession much more strongly than the state as whole and the nation, and frankly, has not fully recovered from the previous recessions of the 1980's and 1990's. The unemployment rates have certainly moderated from the extremely high rates experienced in the last decades and has even showed its lowest annual average in 1998. But as the manufacturing industries, which are so pervasive throughout Racine County and this corner of the state, continue to wane, then fluctuations in the labor force performance will persist as these volatile industries have a dramatic impact on regional labor forces. The unemployment rate in the City of Racine continues to be among the highest of Wisconsin cities.



## County Industry Employment

### Nonfarm Wage and Salary Employment

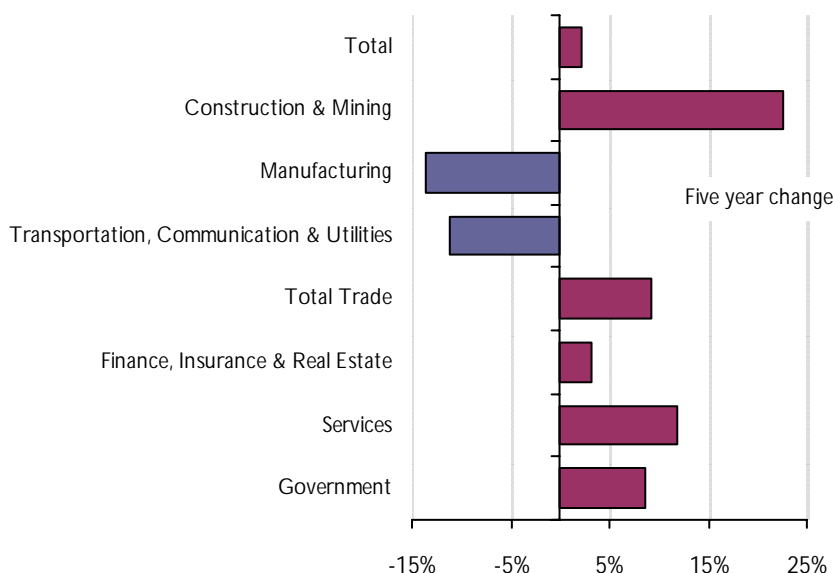
	1996	1997	1998	1999	2000	2001	Percent change	
							1 year	5 year
<b>Total</b>	79,341	80,241	81,496	82,203	82,191	81,072	-1.4%	2.2%
<b>Goods Producing</b>	28,124	28,318	28,784	28,067	27,098	25,344	-6.5%	-9.9%
Construction & Mining	2,915	3,139	3,421	3,616	3,548	3,575	0.7%	22.6%
Manufacturing	25,209	25,179	25,363	24,451	23,550	21,769	-7.6%	-13.6%
Durable	16,637	16,839	17,205	16,244	15,651	13,980	-10.7%	-16.0%
Nondurable	8,572	8,341	8,158	8,207	7,899	7,790	-1.4%	-9.1%
<b>Service Producing</b>	51,217	51,923	52,712	54,136	55,093	55,727	1.2%	8.8%
Transportation, Communications & Utilities	2,773	2,483	2,539	2,394	2,380	2,464	3.5%	-11.1%
Total Trade	16,330	16,420	16,836	17,283	17,228	17,826	3.5%	9.2%
Wholesale	2,691	2,985	3,179	3,394	3,358	3,408	1.5%	26.6%
Retail	13,639	13,435	13,657	13,889	13,870	14,418	4.0%	5.7%
Finance, Insurance, and Real Estate	2,314	2,269	2,387	2,368	2,330	2,387	2.5%	3.2%
Services & Misc.	20,429	21,417	21,455	22,449	23,284	22,862	-1.8%	11.9%
Total Government	9,372	9,335	9,496	9,642	9,872	10,188	3.2%	8.7%

Source: WI Department of Workforce Development, Nonfarm wage and salary estimates, revised March 2002

Nonfarm wage and salary (NFWS) employment data are the complement to the labor force data from the previous pages. These are derived from a monthly survey that counts the number of workers in an establishment (by industry). These are reported as the number of jobs in the county regardless of where the employee lives.

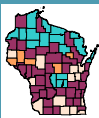
Racine County's job growth has been flat over the last half decade and actually decreased in 2001. Much of the annual dip is attributed to the rapid loss of manufacturing jobs. Services employment shows a bit of annual loss as well. This is tied to the fact that many manufacturers hire temporary and/or contracted personnel from outsourcing agencies, whom are technically employed by the services employers. Wholesale trade is also closely allied with manufacturing and has shown surprising resilience in this annual perspective. It was the fastest growing industry over the last five years, but data from 2002 will ultimately show that this industry has subsided in employment as it followed the manufacturing downturn, albeit well after manufacturing began its slide.

### Employment Change by Industry Division: 1996 to 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002

The distribution of industry employment in descending order is (rounded): Services and Miscellaneous, 28 percent; Manufacturing, 27 percent; Total Trade, 22 percent; Government, 13 percent; Construction and Mining, four percent; Transportation, Communications and Public Utilities, three percent; Finance Insurance and Real Estate, three percent.



## State of Wisconsin - Racine County

### Top 10 Employers

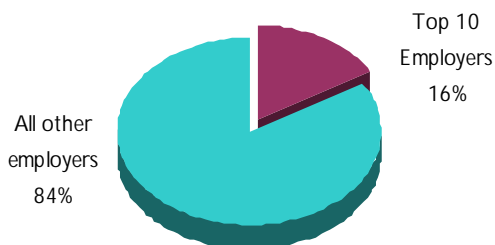
Company	Product or Service	Size
S C Johnson & Son Inc.	Specialty Cleaning, Polishing and Sanitation Preparations	1000+
St. Mary's Medical Center Inc.	Offices and Clinics of Doctors of Medicine	1000+
Case Corp.	Farm Machinery and Equipment	1000+
Emerson Electric Co	Household Appliances	1000+
All Saints-St. Luke's Hospital Inc.	General Medical and Surgical Hospitals	500-999
Georgia Auction Service Inc. Gen Ptr	Wholesale Trade of Automobiles and Other Vehicles	500-999
Modine Mfg Co	Motor Vehicle Parts and Accessories	500-999
Wal-Mart Associates Inc.	Department Stores	500-999
Aurora Health Care Of Southern Lake	General Medical and Surgical Hospitals	500-999
Nestle Usa-Beverage Division Inc.	Chocolate and Cocoa Products	500-999

### Top 10 Industry Groups

Industry Group	March 2001		Numeric change	
	Employers	Employees	1-year	5-year
Health Services	189	7,818	136	863
Industrial Machinery and Equipment	112	5,813	-689	-1,178
Eating and Drinking Places	248	4,550	239	-25
Educational Services	27	4,544	22	209
Business Services	177	3,868	-1,033	-245
Electronic & other Electric Equipment	29	3,572	-257	-269
Chemicals and Allied Products	7	3,290	39	*
Executive, Legislative, and General	19	2,999	74	*
Special Trade Contractors	320	2,256	-31	496
Wholesale Trade-Durable Goods	192	2,234	93	645

\*data suppressed to maintain confidentiality

Top 10 Employers' Share of  
Nonfarm Employment



Top 10 Industry Group Share  
of Nonfarm Employment



Source: WI Department of Workforce Development, ES-202 file tape, December 2001

Racine County's top employers in 2001 are dominated by large manufacturers of both durable and nondurable goods and medical facilities. The top ten employers are responsible for 16 percent of all nonfarm jobs, which is about average for a county of this size. These top employers also employ a great number of people from all over the southeast region of the state.

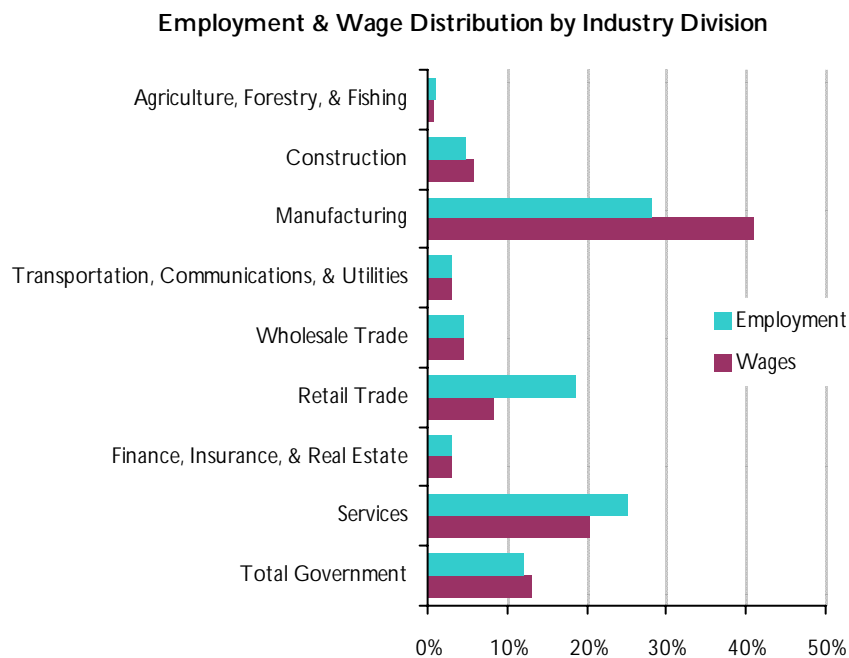
The top ten industries account for a slight majority of the total nonfarm employment. One will notice large annual losses in manufacturing employment and in the closely tied business services industry. Health services has been the growth industry and is projected to have an even larger presence for the coming decades. Educational services is expected to increase in employment as well.



## State of Wisconsin - Racine County

A county's industry composition can heavily dictate the occupational makeup of an area, which begets wages paid, which then begets economic vitality, etc. The graph immediately below shows the distribution of industry employment. It also distributes the wages paid by each of these industries. What is very clear from this graph is that the manufacturing industries are deeply entrenched in the county's economy as the wages paid are at a premium over the amount of total employment, making these jobs highly valued. Manufacturing jobs tend to be higher

than average in pay due to union agreements, the availability of overtime and in Racine's case, the presence of corporate headquarters. These manufacturing home bases employ a heavy share of the executive and managerial ranks than the other branches, and these positions are typically paid high salaries. A good contrast to the manufacturing distribution is the retail trade industry. Retail trade shows a large distribution of employment, but a disproportionately lower amount of total wages paid. These low wages are due to a large employee base that is typically weighted to the side entry-level in job tenure, and very importantly, only part-time in the number of hours worked per week.



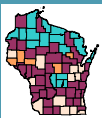
Generally, Racine County pays wages at a higher rate than the state average. Its highest premium is in manufacturing for reasons mentioned previously. Finance, insurance and real estate (FIRE) show the lowest state-relative wage due to its occupational composition. Meaning, the types of FIRE businesses within Racine County are heavily staffed with non-managerial, entry-level and administrative employees in branch financial institutions, whom are often not paid as highly as employees in other types of FIRE industries in other corporate settings.

### Annual Average Wage By Industry Division

	Racine Co. Annual Average Wage	Wisconsin Annual Average Wage	Percent of State Average	1-year percent change	5-year percent change
All Industries*	\$ 33,326	\$ 30,922	107.8%	2.4%	19.2%
Agriculture, Forestry, & Fishing	\$ 23,172	\$ 22,565	102.7%	1.4%	39.5%
Construction	\$ 40,565	\$ 39,011	104.0%	5.2%	22.6%
Manufacturing	\$ 48,581	\$ 39,739	122.2%	2.3%	20.3%
Transportation, Communications, & Utilities	\$ 33,583	\$ 36,639	91.7%	1.2%	24.1%
Wholesale Trade	\$ 34,391	\$ 40,521	84.9%	4.9%	20.8%
Retail Trade	\$ 14,940	\$ 14,596	102.4%	1.6%	23.1%
Finance, Insurance, & Real estate	\$ 33,400	\$ 40,933	81.6%	13.7%	34.0%
Services	\$ 27,099	\$ 28,775	94.2%	7.0%	27.5%
Total Government	\$ 36,352	\$ 33,785	107.6%	5.0%	15.8%

\* Mining excluded from table since wages were suppressed to maintain confidentiality in every county

Source: WI DWD, *Employment, Wages, and Taxes Due covered by Wisconsin's U.C. Law, 2002*



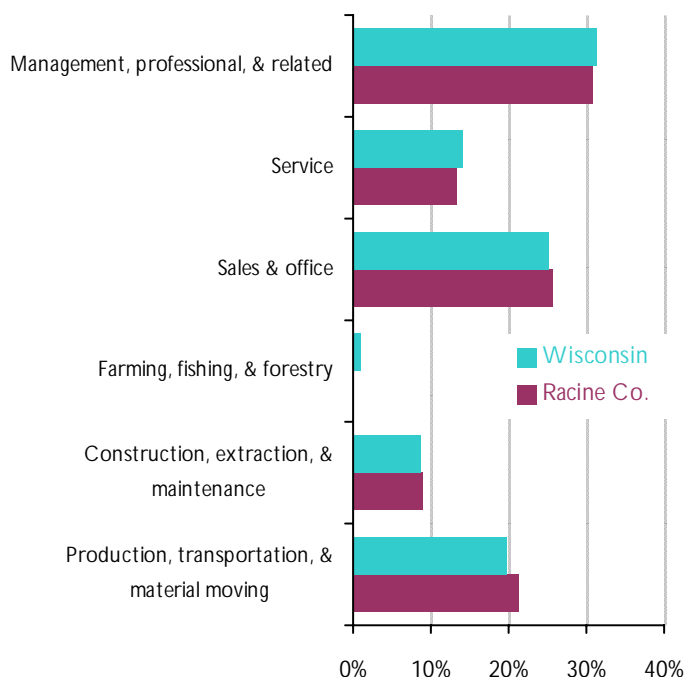
## Occupation and Education Characteristics of County Population

The graph to the right is a view of Racine County's occupational groups independent of industry, meaning that these occupations could conceivably span across all industries, e.g., it would probably be very difficult to find many farm or fishing workers in health care services, but not necessarily impossible. Industries certainly do formulate occupational composition, but there are additional factors as well that determine what kinds of workers are employed/demanded in a county such as the complexity of the services offered and goods produced.

Racine County's broad occupational grouping is closely aligned with that of the state as a whole with no real glaring differences. The only subtle differences observed are the heavier presence of service occupations at the state level and the higher percentage of production employees in Racine County. Also, there is barely any visible appearance of farming, fishing and forestry jobs in the county.

The similarity of these county job groupings to that of the state is linked to the fact that a majority of the state's population, and subsequently, the state's jobs are located in metropolitan counties, which tend to have a reasonably similar occupational pattern. In other words, the state as whole looks more like the collection of the metropolitan counties' occupations rather than the occupations within the larger collection of non-metropolitan

Employment by Occupation Group: 2000

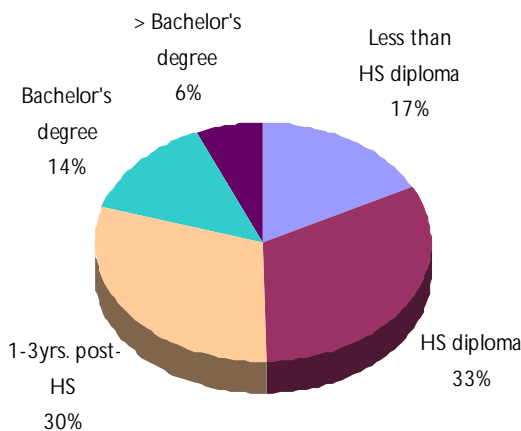


US Department of Commerce, Census 2000

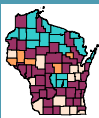
counties.

The educational attainment of a county's population tells quite a bit about a county's workforce. Twenty percent (rounded) of Racine County's population, 25 years and older, have a bachelor's or higher degree. This is a bit lower than the state average of 22 percent (rounded). The number of residents in Racine County with this level of education has increased 36 percent since 1990, which is moderate growth considering that the state and national average decennial change was just over 40 percent. Educational attainment also tells much about the occupational demand of the industries. Racine County's occupational composition does not necessarily covet those with post-graduate education as highly as other counties. This does not mean that Racine's labor force is undereducated, but occupational emphasis has been focused to the demand for vocational/technical training, rather than the traditional college degree. Jobs in Racine County may require more on the job training rather than the classroom setting.

Education Attainment in 2000



Source: US Dept. of Commerce, Census Bureau, *Census 2000*



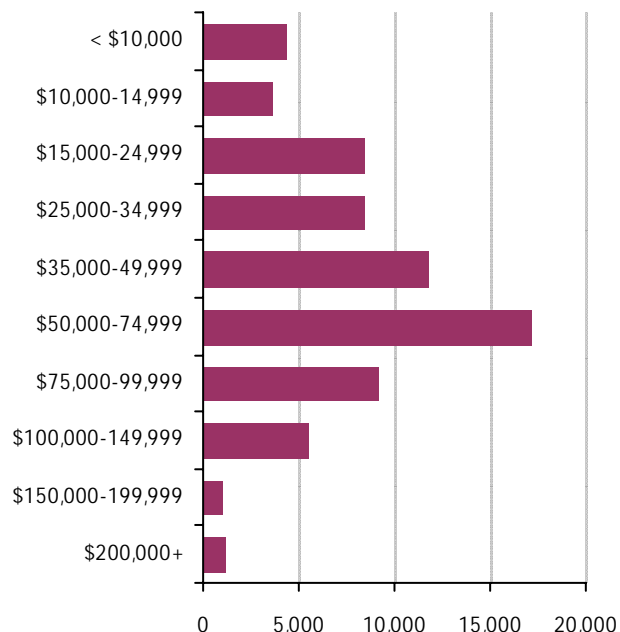
## County Income Information

Household income is the measure of total income of the householder and all other individuals age 15 years and over in the household, whether they are related to the householder or not. Because many households consist of only one person, average household income is usually less than average family income. Racine County's median household income ranks ninth highest of the 72 counties. This is not surprising due to the fact that Racine is a metropolitan county, which tend to pay higher wages than non-metropolitan counties (Racine County ranks fifth highest of all counties in annual average wages paid). The fact that many residents have commutable access to other metropolitan job markets is key as well as most of the counties in this part of the state pay above average wages and have above average household incomes.

Per capita personal income (PCPI) is a measure of the county's total personal income divided by the total population. Racine County ranks eighth highest of all counties in the state. The rank is reflective of the higher than average industry wages paid (particularly the manufacturing wages) as a source for total income as well as other sources of income such as dividends and interest from stocks and other investments, proprietary income, income from rental property. Transfer payments from the government such as retirement and disability insurance benefit payments, worker's compensation, food stamps, SSI, etc. are not as relied upon for in-

### Households by Income Range

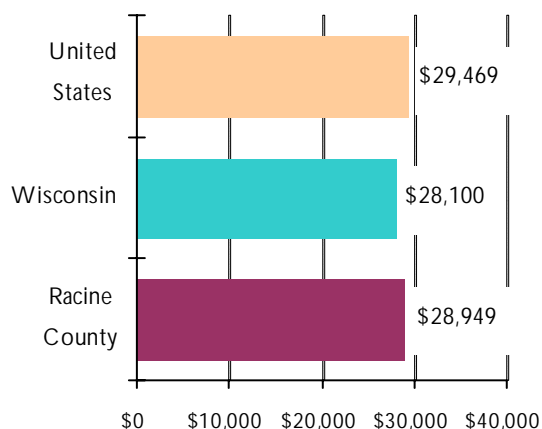
Median household income in Racine Co. \$48,059



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

come in Racine County as they are in the state and nation as well. More and more, personal income is composed less of wages earned at the job and more of the other mentioned categories. Dividend earnings and transfer payments have grown faster as a part of income than have job wages, yet wages are still the majority of income.

### Per Capita Personal Income 2000



Source: US Department of Commerce, Bureau of Economic Analysis

### Components of Total Personal Income: 2000

